



Good afternoon Senator Kushner, Representative Sanchez, and members of the Labor & Public Employees Committee. My name is Keith Beaulieu and I am the owner of The Main Pub in Manchester, and also the Chairman of the Connecticut Restaurant Association. I am here today to oppose Senate Bill 1177.

As a small business owner and restaurateur in Connecticut, I am deeply concerned about the potential impact this policy will have on my business, my employees, and my customers. I'm concerned because I have deep, first-hand understanding of Connecticut's restaurant industry. Growing up, I watched firsthand as my parents slowly transformed a small tavern in Manchester (that originally only served beer!) into a thriving restaurant with great food, live music, and a committed base of customers. After more than four decades in business, the Main Pub is the longest running family-owned restaurant in Manchester, and it's become a staple of our local community and region.

We usually employ between 35-40 people, individuals who we deeply value and respect as employees and members of The Main Pub family. On average, our servers currently make approximately \$29 per hour, and our bartender makes approximately \$31 per hour. Those hourly averages include their tipped wage, plus tips. If the bill under consideration become law, my average annual payroll would increase by \$135,821.68.

That is an unimaginable cost increase for a small business that has worked for decades to keep its doors open, serve its customers well, and keep dozens of fellow Connecticut residents employed year in and year out. In order to keep my business afloat, my only option would be to apply service charges to customers' checks to cover the increase in payroll costs, something I absolutely do not want to do, because I know most of our customers have also struggled throughout the pandemic and are working to get back to normal, just as we have.



I am also concerned that the implementation of "One Fair Wage" and the removal of the tip credit will make it harder for small businesses like mine to compete with larger chains. Larger chains can more easily absorb these substantial payroll costs this bill will cause, giving them an increased competitive edge. This imbalance will hurt small businesses and could lead to further consolidation in the restaurant industry, meaning Connecticut customers will have less choice in where they dine, and will miss out on the unique culinary experiences that Connecticut restaurants now offer.

I understand that the objective of this policy is to address income inequality, which is a laudable goal. The fact is, however, this bill will have unintended consequences that will hurt my employees. Many of my servers currently earn a significant portion of their income through tips, and removing the tip credit will mean that they will lose out on these wages. Moreover, if a service charge is added to checks, customers may be less inclined to tip, further reducing my servers' earnings.

In conclusion, I urge you to consider the impact that these policies will have on small business restaurants like mine. Restaurants operate on small margins even in the best of times, and the ongoing impact of the COVID-19 pandemic has only made it more challenging to stay afloat. We need policies that support small businesses and promote job growth and economic development -- House Bill 6859 and Senate Bill 1177 would do the opposite.

Thank you for accepting my testimony on this topic.